

## Message Text

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51

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 SS-15 NSC-05 SP-02 INR-07 L-02

SSO-00 /049 W

----- 000101

R 270745Z MAR 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 4352

LIMITED OFFICIAL USE HONG KONG 3243

E.O. 11652: N/A

TAGS: ETRD HK US

SUBJ: GSP --- REACTION OF CHINESE MANUFACTURERS' ASSOC.

1. I HAVE RECEIVED TWO IDENTICAL STRONG LETTERS FROM THE CHINESE MANUFACTURERS ASSOC. ADDRESSED TO THE SECRETARY AND TO ME. THE LETTERS URGE THE USG TO REVIEW URGENTLY THE DECISION TO EXCLUDE HONG KONG AND MAKE THE FOLLOW POINTS:

A) HONG KONG IS DIFFERENT FROM OTHER DEVELOPING COUNTRIES IN THAT: (1) IT IS A SMALL AREA WITH A LARGE AND GROWING POPULATION; (2) IT HAS NO NATURAL RESOURCES; AND (3) IT HAS NOT DOMESTIC MARKET.

B) HONG KONG IS ALREADY AT A DISADVANTAGE VIS-A-VIS LOCAL COMPETITORS WHO HAVE NATURAL RESOURCES AND ARE ABLE TO PROVIDE INVESTMENT INCENTIVES.

C) EXCLUDING HONG KONG WILL CREATE DIVERSION NOT ONLY IN TRADE BUT ALSO IN INVESTMENT; THIS WILL COMPROMISE HONG KONG'S EFFORTS TO SHIFT INTO NEW PRODUCT LINES WHICH ARE NOT SENSITIVE IN THE U.S. MARKET.

D) EVEN THE EEC, WHICH AS DISCRIMINATED AGAINST HONG KONG'S TEXTILES AND FOOTWEAR, IS BEGINNING

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TO REALIZE THE IMPLICATION OF THE RESULTANT

TRADE DIVERSION.

E)HONG KONG IS NOT SEEKING NEW ADVANTAGE BUT  
AN ABSENCE OF DISCRIMINATION . AS SEEN IN  
HONG KONG THE ISSUE IS NOT THEROETICAL  
EQUALITY BUT SURVIVAL.

2. MY REPLY WAS AS FOLLOWS:

" I CAN WELL APPRECIATE THE CONCERNS EXPRESSED IN  
YOUR LETTERS, PARTICULARLY HONG KONG'S TOTAL DE-  
PENDENCE UPON FOREIGN TRADE AND THE EFFECT THAT  
EXCLUSION MIGHT HAVE ON THE PATTERN OF TRADE AND NEW  
INVESTMENT. AT THIS POINT ALL I CAN USEFULLY SAY  
IS THAT THE INTITAL LIST PUBLISHED THIS WEEK IS NOT  
A FINAL LIST. YOU WILL NOTE THAT HONG KONG WAS  
LISTED AS A POTENTIALLY ELEGIBLE BENEFICIARY AND I  
AM RELIABLY INFORMED THAT THIS STATUS WILL BE THE  
SUBJECT OF A CONTINUOUS AND INFORMED REVIEW BY THE  
CONCERNED FEDERAL AGENCIES IN WASHINGTON. ALTHOUGH  
I CANNOT PROMISE ADEADLINE FOR THIS FINAL  
DETERMINATION, IT WILL BE MADE BEFORE THE  
SCHEME GOES INTO OPERATION THIS FALL. THE  
ARGUMENTS ADVANCED BY YOUR ASSOCIATION AS  
WELL AS OTHER TRADE ASSOCIATIONS AND THE HKG  
WILL ALL RECEIVE CAREFUL ATTENTION AND HELP THE  
USA ARRIVE AT A SOUND DECISION".

3. IF DEPARTMENT WISHES A FURTHER REPLY ON BEHALF OF  
THE SECRETARY , PLEASE PROVIDE TEXT.

4. SECRETARY'S COPY FOLLOWS BY MONDAY, MARCH 31 POUCH.  
CROSS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MFN, GOVERNMENT REACTIONS, GENERALIZED PREFERENCES (TARIFFS), LABOR UNIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
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**Handling Restrictions:** n/a  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** n/a  
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**Review Authority:** greeneet  
**Review Comment:** n/a  
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